DONATE SIGN UP

‹ The CounterPoint Blog

The Houthis Exploit Western Ambiguity to Fund Their War Machine

DONATE SIGN UP

Share on X

Share on Facebook

Since 2023, the Counter Extremism Project released a series of reports highlighting key aspects of the Houthi terrorist group's operational structure: a structure that allows the organization to procure weapons and ammunition; suppress women, journalists, and religious minorities; systematically divert humanitarian aid; and exploit Yemen's telecommunication infrastructure as a source of revenue and intelligence. This new blog series on the Houthi movement highlights the key points of CEP's larger analysis, beginning with the misuse of spyware by the Houthis, and the Houthi attack on Israel.

This third entry argues that the Houthi controlled areas in Yemen should be treated as a separate entity. This would enable stricter control measures and more effective international pressure on this terrorist group. It should be clear that financial institutions under control of the Houthis in Yemen are part of the group's terrorism financing structure and consequently, these institutions should be under tight control to avoid that the Houthi's transfer assets out of the country.

The Western response to Yemen's Houthis has been primarily tactical and defensive. The aim of the U.S.-led operations in Yemen is to protect maritime traffic against attacks and to target Houthi weapons. These are important steps, but the threat will only grow more severe as long as the "elephant in the room" remains unaddressed.

The areas controlled by the Internationally Recognized Government (IRG) of Yemen and the Houthis are now two separate entities. As long as this reality is not adequately taken into consideration, the Houthis will continue to derive benefits from the ambiguity this dissonance creates. While some might argue that accepting this division acknowledges the legitimacy of the Houthi organization, in

DONATE SIGN UP

In some respects, the fact that territory under the rule of the Houthi terrorist group is distinct from areas under control of the IRG is already a matter of policy. For example, when it comes to passports, those produced or validated in Houthi-controlled areas are not accepted by Western states. Enforcing this policy is essential, as the terror group has already attempted to use its control over the Passport and Immigration Authority in Sanaa to smuggle out its Iranian and Hezbollah advisors by providing them with inauthentic travel documents. The Houthis' attempt to use this "governmental authority" to support their malign activities is no surprise, as the group's Immigration and Passports Authority was staffed by senior officials who previously worked in Houthi military procurement. While it remains widely accepted that Houthi-provided passports are illegitimate, there is good reason to ask why other elements controlled by the group are allowed to operate under the cover of a legitimate state.

A prime example of this inconsistency is evident in the Houthi-controlled banks based in Sanaa. For now, these financial institutions have not been sanctioned or cut off from the global financial system (SWIFT) despite the fact that they are clearly controlled by the Houthis and have been complicit in terror financing schemes. Instead, the IRG has been pressured into vouching for the legitimacy of these banks in a manner that enables them to continue to operate for the benefit of the Houthis and their partners, including Iran. To illustrate the absurdity of this situation, one might compare it to conducting business in Korea without any clear indication of whether the funds or payment processing are North Korean or South Korean.

Whether the Saudis pressure the IRG to maintain the current banking arrangement or not, Western states should refuse to recognize the legitimacy of Houthi-controlled banks. The aim of such a policy should be to inflict economic damage on the Houthi financial apparatus, which is heavily invested in the war machine conducting attacks around the Red Sea. It is also essential to exert tight controls over these financial institutions internationally, including any corresponding banking relationships that still may exist, with the aim of halting Houthi efforts to

DONATE SIGN UP

In addition, the port of Hodeida is controlled by the Houthi terrorist organization. This is a source of hundreds of millions of dollars of revenue for the group each year. Much of that revenue comes from taxing aid groups who use the port to bring in essentials to Yemen. What is truly absurd about this arrangement is that many of the governments who are now trying to defend against Houthi attacks against international shipping in the Red Sea are the very same donors who contribute to the aid which is then exploited by the Houthis in support of their malign activities.

Beyond the taxes collected at Houthi-controlled ports, the Houthis seek to control all aspects of humanitarian aid in Yemen through rigorous intelligence collection, comprehensive regulation, and ruthless enforcement. The Supreme Council for the Management and Coordination of Humanitarian Affairs and International Cooperation (SCMCHA) is the Houthi agency responsible for orchestrating the group's monitoring and exploitation of aid in Yemen, and it is led by longtime Houthi loyalist Ahmed Hamid. SCMCHA's activities include developing *kompromat* on humanitarian workers, the extortion of aid agencies, pressuring aid groups to use Houthi-affiliated contractors, diverting supplies to loyalists, and disrupting aid agencies' evaluation and monitoring mechanisms. Unfortunately aid agencies tend to downplay the challenges they face from Houthi efforts to disrupt and divert aid delivery, in effect covering up Houthi violations.

Continued Houthi transgressions without any substantial response from humanitarian organizations have emboldened the group. In recent years, the Houthis have disappeared dozens of aid workers, some of whom have died in Houthi custody. Aid agencies subsequently failed to call the Houthis out by name or suspend their operations for significant periods of time. The Houthis' continued impunity culminated in a recent mass arrest of local aid workers – an unprecedented escalation of an ongoing trend.

The U.S. and its allies should seek to disrupt the current arrangement, which enables the Houthi organization to exploit global humanitarian efforts. This presents several difficulties, not least of all because the group has no problem holding its own people hostage to its radical aims. A good place to start would be

DONATE SIGN UP

Houthi infrastructure—ports, airports, and other assets that generate revenue for the Houthis.

Ultimately, what these policy recommendations boil down to is recognizing that Houthi-controlled areas are terrorist-controlled areas. Consequently, banks located in these areas cannot be considered legitimate financial institutions. Until Houthi control over these banks is relinquished, their infrastructure and services are part of the Houthi financial structure and therefore involved in terrorism financing on an institutional level. It must also be acknowledged that funneling money to the Houthis in the form of “taxes” or other payments, whether at a port or a checkpoint, is funding an organization that is designated by the U.S. as a terrorist group.

It is difficult to imagine that policies similar to those currently in place for Yemen would hold up in areas controlled by North Korea or ISIS. While the Yemeni political landscape can be confusing, it is clear that the Houthis aspire to join this top tier of rogue actors such as Iran or North Korea. If the West continues to blindly fund efforts to realize the group’s radical agenda, it will itself become a source of destabilization not only for Yemen, but for the broader Middle East as well as the the global economy.

Previous Post

Related

Houthis, Yemen

The Houthis Exploit Western Ambiguity to Fund Their War Machine

August 21, 2024 | Ari Heistein

Houthis, Israel

The Recent Houthi Attack on Israel

August 12, 2024 | Ari Heistein

Houthis, Israel

COUNTERPOINT BRIEF: ISRAEL RESPONDS TO HOUTHI DRONE STRIKE AGAINST TEL AVIV

DONATE SIGN UP

Daily Dose

Extremists: Their Words. Their Actions.

Fact:

On August 23, 2017, Boko Haram insurgents attacked several villages in northern Nigeria's Borno State. The extremists shot at villagers and slit their throats, killing 27 people and wounding at least 6 others.

View Archive

CEP on X

Posts from @FightExtremism **Follow**

CEP @FightExtremism · Aug 8, 2023

Boston man files lawsuit against white nationalist hate group. Charles Murrell III, a Black educator & musician, was playing his saxophone near a public library last year when Patriot Front members allegedly brutally attacked him during a march.

Email Address

DONATE SIGN UP

DONATE

New York

CEP Germany

EXTREMISM PROJECT

Contact | Privacy and Terms of Use | Copyright Policy

© 2024 Counter Extremism Project

Cookie Settings